

AMENDED IN SENATE JANUARY 5, 2004

AMENDED IN SENATE MARCH 25, 2003

SENATE BILL

No. 120

Introduced by Senator Margett

February 3, 2003

An act to add Chapter 19 (commencing with Section 50898.10) to Division 31 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 120, as amended, Margett. Elderly and disabled persons: home improvement loans.

Existing law requires the California Department of Aging, among other things, to administer the Mello-Granlund Older Californians Act, which establishes various programs that serve older individuals, including aging information and education programs. Existing law establishes the Senior Housing Information and Support Center within the department for the purpose of providing information and training relating to specified subjects, including housing options and home modification alternatives designed to support independent living.

The existing State Housing Law requires the Department of Housing and Community Development, in consultation with specified state agencies, and without significantly impacting housing costs and affordability, to develop guidelines and at least one model ordinance for new construction and home modifications that are consistent with particular principles of universal design or other similar design guidelines to enhance housing for, among others, persons with disabilities, as specified. Existing law authorizes, commencing January 1, 2005, a city, county, or city and county to make, by ordinance,

changes or modifications to the requirements of the code if the city, or city and county determines that the ordinance is reasonably necessary and is substantially the same as the guidelines or model ordinance. Existing law encourages developers of housing for senior citizens, persons with disabilities, and other persons and families, in a city or county where a universal design ordinance has not been adopted, to seek information regarding the principles of universal design, as specified, and authorizes the California Department of Aging, in partnership with specified entities, to develop and provide consumer advice regarding home modification for seniors and persons with disabilities.

This bill would establish within the Department of Housing and Community Development the Elderly and Disabled Persons' Revolving Home Improvement Loan Program to provide no-interest home improvement loans to qualified elderly and disabled individuals to assist them with daily activities and prevent injury and to allow them to remain safely in their own homes.

This bill would create the Elderly and Disabled Persons' Revolving Home Improvement Loan Fund in the State Treasury. The bill would provide that the department shall implement this program if, and only to the extent that, funding is provided for this purpose upon an appropriation in the annual Budget Act or other statute.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 19 (commencing with Section
2 50898.10) is added to Division 31 of the Health and Safety Code,
3 to read:

4

5 CHAPTER 19. ELDERLY AND DISABLED PERSONS' REVOLVING
6 HOME IMPROVEMENT LOAN PROGRAM

7

8 50898.10. (a) There is within the department the Elderly and
9 Disabled Persons' Revolving Home Improvement Loan Program.

10 (b) The department shall implement the program established
11 under this chapter if, and only to the extent that, funding is
12 provided for this purpose by an appropriation in the annual Budget
13 Act or other statute.



1 50898.11. It is the intent of the Legislature in enacting this
2 chapter to create a no-interest loan program to allow elderly and
3 disabled persons to make home modifications that will allow them
4 to remain safely in their own homes, and that will assist with daily
5 living activities or prevent injuries. It is the further intent of the
6 Legislature that this program fund loans for interior and exterior
7 home improvements. Loans shall first be granted to extremely low,
8 very low, and lower income applicants, and any remaining loan
9 funds may be issued to moderate-income and middle-income
10 applicants.

11 50898.12. The department shall develop and administer a
12 no-interest revolving loan fund program for low- and
13 moderate-income elderly and disabled persons to make nonmajor
14 home improvements to assist with daily living activities or prevent
15 injury.

16 50898.13. (a) The maximum loan amount made pursuant to
17 this program shall be five thousand dollars (\$5,000), subject to
18 cost-of-living adjustments, and there shall be no interest charged
19 on the loan.

20 (b) Pursuant to regulations of the department, the loan shall be
21 subject to a repayment schedule over the term of the loan, not to
22 exceed three years.

23 (c) Loan funds shall only be used for financing the
24 improvement of a structure occupied by the borrower. Where the
25 borrower does not own the property, loan funds shall only be
26 available for home improvements that have received the written
27 approval of the owner. Loan funds shall not be used for the
28 acquisition of real property.

29 50898.14. (a) The department shall adopt regulations that
30 carry out the purposes of this chapter including, but not limited to,
31 all of the following:

32 (1) Identifying the qualifications of borrowers, including, but
33 not limited to, qualifications related to age, disability, income, and
34 home improvements requested. Definitions for eligible
35 improvements established by the department shall be consistent
36 with those established pursuant to the Multipurpose Senior
37 Services Program, the Linkages Program, and the ~~CalHOME~~
38 *CalHome* Program.

39 (2) Implementing the requirements of this chapter.

40 (3) Establishing a repayment process and schedule.

(b) In developing the regulations, the department shall consult with appropriate stakeholders. This group may include, but shall not be limited to, stakeholders with a knowledge of the senior and disabled ~~community~~ *communities*, prevention of falls, and commonly needed and effective home improvements. This group may include representatives of consumer and advocacy groups, including the California Congress of Seniors, the Older Women's League, and the California Association of Area Agencies on Aging.

50898.15. (a) The department shall develop an uncomplicated application form for the program.

(b) The department shall be responsible for providing assistance to elderly and disabled applicants in filling out applications for home improvement loans under this chapter.

(c) The department may not impose a fee for processing the application.

50898.16. The department shall review loan applications submitted under this chapter and shall approve or deny loan applications. Approved applications shall be funded until funds are no longer available.

50898.17. Applicants who receive a loan shall submit a dated receipt, invoice, or certificate of completion for home improvement work to the department within six months after the loan is received by the applicant.

50898.18. (a) The department shall finance the total amount of each loan granted under this chapter.

(b) The department shall not assess a loan fee.

50898.19. (a) In order to carry out this chapter, there is hereby created in the State Treasury the Elderly and Disabled Persons' Revolving Home Improvement Loan Fund.

(b) The fund shall consist of funds appropriated to it by the Legislature and moneys received in repayment of loans.

(c) The department, upon appropriation by the Legislature, shall use moneys in the fund to implement this chapter, and may use moneys in the fund for the administration of the program established by this chapter. The annual administrative costs shall not exceed 5 percent of the amount in the fund appropriated annually by the Legislature.

50898.20. The department shall issue an annual report, commencing in the ~~2005-06~~ *2006-07* fiscal year, that includes a

- 1 description of the characteristics of the borrowers participating in
- 2 the program, including, but not limited to, all of the following:
- 3 (a) County of residence.
- 4 (b) Types of modifications completed.
- 5 (c) Loan amounts.
- 6 (d) Repayment progress.

